

White, Mark

From: Gdaniec, Bob
Sent: Tuesday, January 14, 2003 4:33 PM
To: White, Mark
Cc: Levstek, Dan; Kang, Stephen; Kassas, Simon; Gdaniec, Bob
Subject: Keystone Product Line License Agreement

Mark,

I have started to put together both my estimate on hours and scope for the license agreement for the package boiler line with Victory and unfortunately have not got it completed yet. With my unexpected departure to Korea for Siemens proposal, I will email you back my estimate and scope definition probably by the middle of next week. Until then, if you get the draft of the Annex written, please email me a copy.

At this point as a recap of where we believe we are going with this... the scope will be the standard package boiler line that is rated at steam flows from 29,000 to 150,000 which for us is the 8M thru the 22M Keystone. This is a boiler that is limited to a 250 psig MAWP and is based on no economizer and no flue gas recirculation.... with performance rating based on 15% excess air. The general arrangement of the boilers will be defined by the KDB sheets with all tubes rolled into radially drilled tube holes. Any deviation from the above definition would be outside of the Product License Agreement.

In a related issue, I have talked with Mike Angelo and after I return from Korea will continue the discussions regarding access to the software. I think we are going to offer for a reasonable price the option to purchase from us a standalone workstation that would give them considerably more flexibility than they have in the present agreement (dial up access).

The other facet of this that we should get in place (in addition to the cost accounts and budgets) will be the administrative requirements for controlling the license agreement day to day operation.... from the engineering side, I think we will end having a single point contact for all Licensee activities with that one person responsible to control the flow of information.... I would also suggest a single point contact in Sales (or perhaps Aftermarket) to control the contractual side.... In the interim, please direct all discussions and requests for information thru Ted Fuhrman with a carbon copy to Dan Levstek. In the end, the licensee Project Team should have control of budgets and costs as well as evaluating profitability and effectiveness of the program.

